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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 7, 1999

APPLICATION OF

MOUNTAINVIEW WATER COMPANY, INC.

CASE NO. PUE990007

For authority to amend
its certificate of public
convenience and necessity

FINAL ORDER

On January 25, 1999, Mountainview Water Company, Inc. ("Mountainview" or "the Company") filed an application, pursuant to Virginia Code § 56-265.3(D), to amend its certificate of public convenience and necessity, No. W-263(a). In its application, the Company requested authority to extend its service territory to provide water service in certain parts of Botetourt County. Mountainview seeks to serve a planned commercial development on a 13.25 acre tract fronting Alternate U.S. Route 220, and a planned residential development that will adjoin the Steeplechase subdivision.

The Company also requested to apply to customers in these planned developments the same rates, charges, and rules and regulations of service currently approved for its existing customers. The Company currently charges connection fees of \$670 for 3/4-inch connections; and for connections over 3/4-inch

the Company charges \$670 plus the costs in excess of a 3/4-inch connection. There is a \$16.50 monthly minimum charge for the first 3,500 gallons of water usage; a \$3.00 per 1,000 gallon charge for all usage for the next 3,000 gallons; and a \$3.75 per 1,000 gallon charge for all usage in excess of 6,500 gallons. Moreover, there is a customer deposit equal to a customer's estimated bill for two months' usage; a \$45.00 meter test charge if the meter has no average error greater than two percent and has not been tested within the prior two years; and a \$25 turn-on charge. The turn-on charge is to restore service that has been disconnected for non-payment of any bill or for violation of the Company's rules and regulations of service. Mountainview also has a bad check charge of \$6.00 and a late payment fee of 1 1/2% per month on all past due balances.

On March 24, 1999, the Commission issued an order directing the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. In that order, the Commission also directed its Staff to review the application and to file a report detailing its findings on or before May 13, 1999.

Mountainview filed proof of its notice on April 28, 1999. No comments or requests for hearings were filed.¹

¹ Because of a problem in the mail delivery to the Company of the March 24, 1999, Order Inviting Written Comments and Requests for Hearing, the Commission, on April 12, 1999, issued an Amending Order that extended from

On May 13, 1999, Staff filed its report. The Staff notes in its report that the source of supply for the Company's system is groundwater from six drilled wells. The Company has drilled a seventh well, but it is not yet in service. The report indicates the seventh well will be required to provide the needed capacity to serve the approximately 50 connections in the planned residential development. The Company currently has sufficient capacity to serve the planned commercial development.

Staff recommended that the Commission grant Mountainview an amended certificate and approve the rates, charges and rules and regulations of service proposed for the planned commercial and residential developments, subject to the Company submitting a new Virginia Department of Health ("VDH") operating permit with a minimum capacity of 691 Equivalent Residential Connections ("ERCs"), reflecting increased capacity from the Company's seventh drilled well.

NOW THE COMMISSION, having considered the application, Staff's report, and § 56-265.3(D), is of the opinion that Mountainview's certificate should be amended to authorize the

April 8 to April 26 the time by which the Company shall furnish notice of its application; and from April 22 to May 10 the time by which any person shall file comments or request a hearing. On April 15, 1999, the Company mistakenly caused to be published the notice prescribed in the earlier March 24 order, directing that comments or requests for hearing be filed by April 22, 1999. Although the Company's notice was not published in strict compliance with our later Amending Order, we find that the notice given was reasonable as required by Code § 56-265.3(D) and in substantial compliance with our orders.

Company to provide water service in Botetourt County to the commercial development fronting Alternate U.S. Route 220, and the planned residential development adjoining the Steeplechase subdivision, subject to the condition that it file with the Commission a new VDH operating permit with a minimum capacity of 691 ERCs. We will approve the application of the requested schedule of rates, charges and rules and regulations of service for those subdivisions. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. W-263(a) shall be canceled, and Mountainview shall be granted an amended certificate of public convenience and necessity (Certificate No. W-263(b)) authorizing it to provide water service to those areas previously authorized in Certificate No. W-263(a), as well as to the commercial development on the 13.25 acre tract fronting Alternate U.S. Route 220 and the planned residential development adjoining the Steeplechase subdivision, both in Botetourt County.

(2) The amended certificate approved herein is granted subject to the Company submitting to the Division of Energy Regulation within six months of this order a new VDH operating permit with a minimum capacity of 691 ERCs.

(3) The rates, charges, rules and regulations of service proposed for the planned commercial and residential developments are hereby approved.

(4) There being nothing further to be done in this matter, it be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.